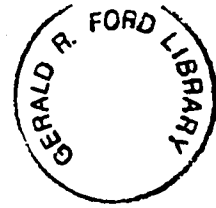


01315

1975/03/05

March 5, 1975



MEMORANDUM

SUBJECT: Communist Military and Economic Aid to North Vietnam,
1970-1974*

1. The Intelligence Community has been requested to estimate the amounts of Communist aid delivered to North Vietnam in the years 1970-1974, using current US dollar costs of the materiel and services provided (see Table I). It is important to recognize that the Intelligence Community's estimate on this subject is not equivalent to -- and hence not comparable with -- US appropriations for military and economic aid to South Vietnam, for the following reasons:

(a) On the matter of accuracy, our information on North Vietnam has always been incomplete, although coverage on civilian imports is substantially better than for military aid. The draw-down of the US presence in Southeast Asia has further limited intelligence collection capabilities in the area, so that current information on North Vietnam is less comprehensive than it was formerly. In particular, on the question of Communist military aid, our information base is very spotty. Hence we know we are seeing only part of the picture on military aid, and our estimates for the part we cannot see have a wide margin of error.

(b) Military aid to North Vietnam is focused on materiel required for the type of military action undertaken by the Communist forces in South Vietnam -- i.e., selected attacks from redoubt areas at times and places of their choice. US military aid to South Vietnam supports a different military mission -- i.e., defense of scattered communities, large agricultural areas, and lines of communication, plus reaction and reinforcement of local forces after Communist attack. As the total

* This memorandum has been prepared jointly by the Central Intelligence Agency and the Defense Intelligence Agency, and concurred in by the Bureau of Intelligence and Research, Department of State.



forces for the different missions differ in size, so do their requirements for assistance. Throughout the war, South Vietnam's forces have been roughly twice the size of North Vietnam's forces in the South, primarily because the missions of South Vietnam's forces -- protecting population and holding territory -- have required a much larger and widely dispersed military structure.

(c) The GVN has therefore also required a combat air force and an ability to redeploy forces rapidly by ground and air transport. Thus, the types of equipment supplied to South Vietnam by the US have been more sophisticated and therefore more expensive than those required by Hanoi. South Vietnam also requires considerably more logistic support.

(d) In addition, shipping, overhead, and other support costs of military aid to the GVN are substantially more than support costs of Communist aid to North Vietnam because of the greater distance involved and other factors. (See Table II at annex.)

2. Several conclusions may nonetheless be drawn with respect to levels of military and economic assistance to North Vietnam from 1970 through 1974.

(a) Total Communist military and economic aid to North Vietnam in 1974 was higher (in current dollars) than in any previous year.

(b) The suspension of US air bombardment in North Vietnam at the beginning of 1973 brought about a large decrease in assistance for defense against such bombardment or to replace losses caused by it (e.g., air defense equipment, missiles, trucks, etc.).

(c) The US disengagement from combat and the reduction in the level of hostilities in South Vietnam in 1973 were reflected in a substantial decrease in the amount of ammunition and ground force equipment received by North Vietnam, compared with 1972.

(d) In 1974, the delivery of ammunition to Hanoi markedly increased over 1973 and reached a level as high as that of 1972*, although deliveries of ground force equipment continued at relatively low levels.

* The dollar figure shown in the table for ammunition deliveries in 1974 is considerably higher than that for 1972, but ton-nages were about the same. Inflation of ammunition prices explains the difference.

(e) Economic aid was reduced in 1972 with the closure of North Vietnamese ports, but with their reopening rose sharply in 1973 and reached a record level in 1974. The economic aid increase in 1974 was further spurred by typhoons which damaged the 1973 North Vietnamese autumn rice harvest, the inflation of dollar values in 1974, and the increased pace of reconstruction during 1974.

3. The figures leading to the above conclusions are shown in Table I. They give a rough order of magnitude of Communist military assistance to North Vietnam and a somewhat more precise indication of economic aid. Within the category of military assistance, the estimates of deliveries of equipment and materiel (\$275 million in 1974), as well as the estimate for transportation equipment (\$25 million in 1974), are fairly good. Even a more complete data base would produce estimates of the same relative magnitude. This is not true, however, for those items listed under the "other military-related support" heading, where the lack of hard data makes our estimates subject to wider margins of error.

4. It should also be noted that in the final analysis what is significant is not so much the level of military assistance but the relative balance of forces on the battlefield in South Vietnam. North Vietnamese forces in South Vietnam, supported by record stockpiles of military supplies, are stronger today than they have ever been. The Communists are expected to sharply increase the tempo of the fighting in the next few months. Given the present military balance in the South, the GVN's forces will not be decisively defeated during the current dry season. At currently appropriated levels of US military assistance, however, the level of combat that we anticipate in the next few months will place the Communists in a position of significant advantage over the South Vietnamese forces in subsequent fighting.

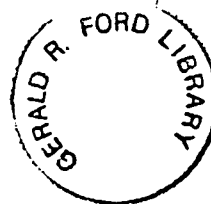
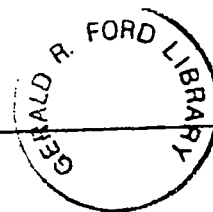


TABLE I

ESTIMATED COMMUNIST MILITARY AND ECONOMIC
ASSISTANCE TO NORTH VIETNAM

		Million Current US\$a/				
		<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974b/</u>
MILITARY		<u>205</u>	<u>315</u>	<u>750</u>	<u>330</u>	<u>400</u>
Military Equipment and Materiel		140	240	565	230	275
Air Defense Equipment		20	85	310	100	55
Ground Forces Equipment		45	80	110	40	45
Ammunition		70	60	130	85	170c/
Other		5	15	15	5	5
Military Transportation Equipment (Trucks, helicopters, transports)		20	15	30	35	25
Other Military-related Supportd/ (Delivery and packaging costs, Spare parts, POL for the mili- tary, Technical Assistance and Training, Medical Supplies)		45	60	155	65	100
ECONOMIC		<u>735</u>	<u>755</u>	<u>465</u>	<u>670</u>	<u>1,295</u>
Commodity Shipmentse/		635	645	360	540	1,145
Food		65	60	80	170	420
Fertilizer		10	15	5	5	25
Petroleum		10	10	5	15	55
Machinery, Transport Equipment, & Metal Products		240	175	125	165	345
Other		310	385	145	185	300
Technical Assistance (Includes cost of foreign technicians in NVN and NVN trainees abroad)		100	110	105	130	150
TOTAL OF ESTIMATED COMMUNIST GOODS AND SERVICES PROVIDED TO NORTH VIETNAM		940	1,070	1,215	1,000	1,695



ESTIMATED COMMUNIST MILITARY AND ECONOMIC
ASSISTANCE TO NORTH VIETNAM
(Continued)

	Million Current US\$				
	1970	1971	1972	1973	1974
TOTAL OF ESTIMATED COMMUNIST GOODS AND SERVICES PROVIDED TO NORTH VIETNAM (repeated from last page)	940	1,070	1,215	1,000	1,695
LESS - NORTH VIETNAMESE EXPORTS TO COMMUNIST COUNTRIES ^{f/}	50	50	30	80	125
TOTAL ESTIMATED COMMUNIST <u>AID</u> TO NORTH VIETNAM	890	1,020	1,185	920	1,570

^{a/} Because of rounding, individual figures do not always add to the totals in this table.

^{b/} The data for 1974 are preliminary.

^{c/} Although ammunition supplied to North Vietnam in 1974 constituted an estimated 40 percent of its military aid, our data regarding probable ammunition costs per ton are admittedly "soft." Therefore, if our price estimates are off by, say, 10 percent, the total value for ammunition alone could fluctuate by some US \$17 million.

^{d/} The lack of hard information on the items included under "Other military-related support" makes these estimates subject to a wider margin of error than exists for other categories of military assistance to North Vietnam.

^{e/} For economic goods, the cost of transportation is included in the cost of the goods as shown in the table. (For military goods, delivery and packaging costs are included under "Other military-related support.")

^{f/} Since North Vietnamese exports in these years paid for some of North Vietnam's imports, we have subtracted them to derive our estimates of Communist aid to North Vietnam.

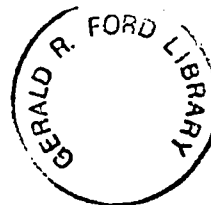
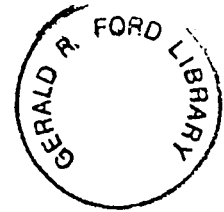


TABLE II

COMPARISONS OF MAJOR CATEGORIES OF COMMUNIST
MILITARY AID TO NORTH VIETNAM AND US AID
TO SOUTH VIETNAM^{a/}



In Million \$US and Percentages

	Communist Military Aid Delivered to North Vietnam CY 1974	US Military Aid So Far Ap- propriated to South Vietnam FY 1975
<u>Total Military Aid</u> ^{b/}	<u>400</u> (100%)	<u>700</u> (100%)
Military Equipment and Materiel	275 (69%)	268 (38%)
Air Defense Equipment	55 (14%)	-- (negl.)
Ground Forces Equipment	45 (11%)	-- (negl.)
Ammunition	170 (43%)	268 (38%)
Other	5 (1%)	-- (negl.)
Military Transportation Equipment	25 (6%)	-- (negl.)
DELIVERY COSTS	20 (5%)	74 (11%)
OTHER MILITARY-RELATED SUPPORT (including Spare Parts, POL for the military, Technical Assistance and Training, Medical Supplies, and Miscellaneous Costs)	80 (20%)	358 (51%) ^{c/}

^{a/} For reasons explained in the text, our figures on Communist aid to North Vietnam (some of which are soft estimates) are not readily comparable with US aid appropriations for South Vietnam. Also, the data we have on Communist aid is kept on a calendar year basis while US aid appropriations are keyed to a Fiscal Year cycle. The above table, however, gives a rough indication of the way the two aid packages break out in CY 1974 for Communist aid and FY 1975 for US aid.

^{b/} Figures may not add because of rounding.

^{c/} One reason for the wide disparity is a charge against the US aid account for administrative expenses for the DAO in South Vietnam which has no known counterpart on the Communist side. There are also other items for which no counterparts on the Communist side are available, such as off-shore maintenance servicing of military equipment, and construction.

DRAFT FOLLOWS

February 28, 1975

MEMORANDUM

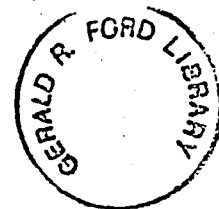
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1970-1974*

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(b) Military aid to North Vietnam is focused on materiel required for the type of military action undertaken by the Communist forces in South Vietnam -- i.e., selected attacks from redoubt areas. US military aid to South Vietnam supports a different military mission -- i.e., defense of scattered communities, large agricultural areas, and lines of communication, plus reaction and reinforcement of local forces after Communist

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attack. As the total forces for the different missions differ in size, so do their requirements for assistance. Throughout the war, South Vietnam's forces have been roughly twice the size of North Vietnam's forces in the South, primarily because the missions of South Vietnam's forces -- protecting population and holding territory -- have required a much larger and widely dispersed military structure.

(c) The GVN has therefore also required a combat air force and an ability to redeploy forces rapidly by ground and air transport. Thus, the types of equipment supplied to South Vietnam by the US have been more sophisticated and therefore more expensive than those required by Hanoi. South Vietnam also requires considerably more logistic support.*

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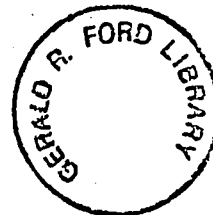
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(c) The US disengagement from combat and the reduction in the level of hostilities in South Vietnam in 1973 were reflected in a substantial decrease in the amount of ammunition and ground force equipment received by North Vietnam, compared with 1972.

(d) In 1974, the delivery of ammunition to Hanoi markedly increased over 1973 and reached a level as high as that of 1972*, although deliveries of ground force equipment continued at relatively low levels.

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3. The figures leading to the above conclusions are shown in the accompanying table. They give a rough order of magnitude of Communist military assistance to North Vietnam and a somewhat more precise indication of economic aid. Within the category of military assistance, the estimates of deliveries of equipment and materiel, as well as the estimate for transportation equipment under the "military related support" heading, are fairly good. Even a more complete data base would produce estimates of the same relative magnitude. This is not true, however, for the other military related support items, where the lack of hard data makes our estimates subject to wider margins of error.*

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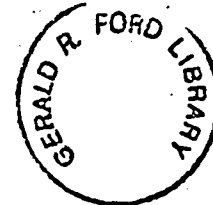
**ESTIMATED COMMUNIST MILITARY AND ECONOMIC
ASSISTANCE TO NORTH VIETNAM**

	Million Current US\$ ^{a/}				
	1970	1971	1972	1973	1974 ^{b/}
MILITARY	<u>205</u>	<u>315</u>	<u>750</u>	<u>330</u>	<u>400</u>
Equipment and Materiel	140	240	565	230	275
Air Defense Equipment	20	85	310	100	55
Ground Forces Equipment	45	80	110	40	45 ^{c/}
Ammunition	70	60	130	85	170 ^{c/}
Other	5	15	15	5	5
Military-related Support ^{d/}	65	75	185	100	125
Transportation Equipment (trucks, helicopters, transports)	20	15	30	35	25
Delivery and packaging costs, Spare parts, POL for the military, Technical assistance and training, Medical supplies	45	60	155	65	100
ECONOMIC	<u>735</u>	<u>755</u>	<u>465</u>	<u>670</u>	<u>1,295</u>
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ESTIMATED COMMUNIST MILITARY AND ECONOMIC
ASSISTANCE TO NORTH VIETNAM
(Continued)



Million Current US\$

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LESS - NORTH VIETNAMESE EXPORTS TO COMMUNIST COUNTRIES <u>f/</u>	50	50	30	80	125
TOTAL ESTIMATED COMMUNIST <u>AID</u> TO NORTH VIETNAM	<u>890</u>	<u>1,020</u>	<u>1,185</u>	<u>920</u>	<u>1,570</u>

a/ Because of rounding, individual figures do not always add to the totals in this table.

b/ The data for 1974 are preliminary.

c/ Although ammunition supplied to North Vietnam in 1974 constituted an estimated 40 percent of its military aid, our data regarding probable ammunition costs per ton are admittedly "soft." Therefore, if our price estimates are off by, say, 10 percent, the total value for ammunition alone could fluctuate by some US \$17 million.

d/ Except for transportation equipment, where the data are fairly good, the lack of hard information on the items included under "military-related support" makes the estimates subject to a wider margin of error than exists for other categories of military assistance to North Vietnam.

e/ For economic goods, the cost of transportation is included in the cost of the goods as shown in the table. (For military goods, delivery and packaging costs are included under "military-related support.")

f/ Since North Vietnamese exports in these years paid for some of North Vietnam's imports, we have subtracted them to derive our estimates of Communist aid to North Vietnam.

DRAFT FOLLOWS

UNCLASSIFIED

February 26, 1975

MEMORANDUM

SUBJECT: Communist Military and Economic Aid to North Vietnam, 1970-1974*

1. The Intelligence Community has been requested to estimate the amounts of Communist aid to North Vietnam in the years 1970-1974, using current US dollar costs of the materiel and services provided. It is important to recognize that the Intelligence Community's estimate on this subject is not equivalent to -- and hence not comparable with -- US appropriations for military and economic aid to South Vietnam, for the following reasons:

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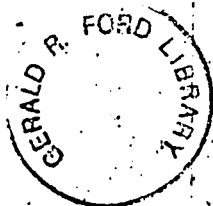
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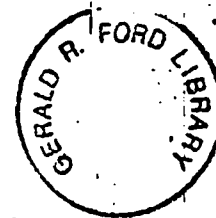
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ESTIMATED COMMUNIST MILITARY AND ECONOMIC
ASSISTANCE TO NORTH VIETNAM

Million Current US\$^{a/}

	1970	1971	1972	1973	1974 ^{b/}
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ESTIMATED COMMUNIST MILITARY AND ECONOMIC
ASSISTANCE TO NORTH VIETNAM
(Continued)

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